

TO: Mayor and City Council
FROM: Thomas J. Bonfield, City Manager
DATE: February 18, 2016
SUBJECT: Durham Sports Commission Interlocal Agreement

Executive Summary

The idea of establishing a Durham Sports Commission has been under discussion for several years between the City of Durham, Durham County, The Greater Durham Chamber of Commerce, and the Durham Convention and Visitors Bureau. A number of models and examples from around North Carolina were considered and ultimately a structure that establishes a separately appointed nine member Sports Commission (501C3) under the umbrella of the Durham Convention and Visitors Bureau was the most appropriate structure for a Durham Sports Commission.

Recommendation

That the City Council approve the Interlocal Agreement between the City of Durham, Durham County, and the Durham Convention and Visitors Bureau to establish and fund a Durham Sports Commission.

Background:

The idea of establishing a Durham Sports Commission has been under discussion for several years between the City of Durham, Durham County, The Greater Durham Chamber of Commerce, and the Durham Convention and Visitors Bureau. A number of models and examples from around North Carolina were considered and ultimately a structure that establishes a separately appointed nine member Sports Commission (501C3) under the umbrella of the Durham Convention and Visitors Bureau was the most appropriate structure for a Durham Sports Commission (DSC). The DSC mission will be to provide leadership for sports-based initiatives that will create a positive impact and quality of life in Durham and the surrounding region.

The Durham Sports Commission (DSC) would be a nine member body with three members each appointed by the City Council, Durham County Board of Commissioners, and The Greater Durham Chamber of Commerce. In addition, the DSC Board of Directors shall establish an Advisory Board to support the work of the DSC and the recruitment and creation of events, as well as to advise DSC on policies. The Advisory Board shall be comprised of representatives of various sports entities and sports service providers. The number of members to the Advisory Board shall be determined by the DSC Board of Directors and the members shall serve rotating terms.

The DSC will be operated by the DCVB with the day-to-day operations conducted by an Executive Director, who is to be hired and supervised by DCVB and confirmed by the DSC Board of Directors.

Funding of DSC shall be linked to specific percentages of the increase in occupancy tax revenues received by the City, County and DCVB. Funds invested in DSC will be used to attract more visitors which is expected to generate additional hotel occupancy taxes phased in over the initial three years of the DSC and this agreement.

The following are measurable goals to be used in determining the overall success of DSC after the initial three year term of this Agreement:

- The number of new sporting events booked including attendance, room nights generated, visitor spending, economic impact and local taxes generated.
- The number of new sporting events and groups serviced through activities such as attendance-building, media assistance, volunteer hours, welcome banners, information tables, etc.
- Developing and adhering to guidelines established by the DSC board for the percentage of locally-produced versus national/regional events and repeat versus new events.
- Other quality of life indicators tied to the City's and County's Strategic Plans.

Alternatives:

The City Council could choose not to contribute funding and participate in the formation of a Durham Sports Commission at which time it is unlikely the County or the DCVB would agree to move forward with establishing a DSC.

Financial Impact

The overall projected annual budget of the DSC is approximately \$550,000. The City contribution is projected as follows FY17 \$68,910.00, FY18 \$107,437.00, FY19 \$129,284.00.

SBDE Summary: N/A

Attachments:

Interlocal Agreement
First Year Budget
Occupancy Tax Projections

